[Rao Bahadur A. Rengaswami Aiyar.]

Rs 4·50 lakhs was expected due to the economic depression. But the actual fall amounted only to Rs 3·37 lakhs. The increase in revenue under Scientific and Miscellaneous Departments was chiefly under Mining Royalty due to the receipt of arrears due from the Travancore Minerals Co., Ltd. Under Buildings, Communications etc., there were larger receipts under "Tolls" and "Workshop Revenue Receipts." The improvement in revenue under Willingdon Water Works was chiefly due to the contribution of Rs 1 lakh paid by the Trivandrum Municipality.

On the expenditure side, there was a net increase in expenditure of Rs 1·60 lakhs. The main increase was under Medical, Public Health and Sanitation (·37), Buildings, Communications etc., (1·07), Army (·46) and Superannuation allowances and pensions (·46). The receipts from the sale of Government lands, and Capital expenditure not charged to revenue amounted to Rs ·86 of a lakh, and Rs 21·83 lakhs, respectively against the revised estimates of Rs ·85 of a lakh and Rs 23·74 lakhs.

As a result of the year's transactions, both ordinary and capital, the Government balance which was expected to stand at Rs 80·27 lakhs amounted to Rs 83·14 lakhs at the close of the year.

REVISED ESTIMATES FOR 1112

3. The budget estimates for the current year were framed for a total revenue of Rs 245·92 lakhs and provided for a programme of expenditure of Rs 242·38 lakhs, thus anticipating a revenue surplus of Rs 3·54 lakhs. During the budget discussions of last year, several members criticised strongly the estimates, particularly those of revenue, as being too sanguine and difficult of realisation. I remember Rao Sahib Mahakavi Ullur S. Parameswara Aiyar advising me in his speech on the occasion to pray to God that I may be able to realise my expectations in this respect, without suffering keen disappointment like my predecessors. As a result of our prayers and mainly because of the energetic drive of the present Dewan, who assumed charge shortly after the last budget, whose career is, as you all know, characterised by uniform good fortune and prosperity, and whose touch converts everything into gold, I am today in the happy position of being able to announce that on the basis of the actuals so far available, our revenue is expected to stand at Rs 251·54 lakhs, a peak point never before reached in the annals of the State, and expenditure at Rs 240·02 lakhs, and that the revenue surplus for the year is now expected to

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amount to Rs 11·52 lakhs, which is the highest figure on record since 1104. Even allowing for the subsequent levy of supertax during the year which accounts for a yield of Rs 70 of a lakh only, the results show a net improvement of Rs 7·28 lakhs over the budget estimates.

4. The ordinary revenue of the year is expected to be better than the budget anticipation by Rs 5·62 lakhs. The expected increases are mainly under Land Revenue (2·46), Taxes on Income (·79), Excise (1·94), Stamps (2·46), Registration (·57) and Scientific and Miscellaneous Departments (·79). The improvement under Land Revenue is due to the better collection of the accumulated arrears. I may mention here that as a result of the representations made on behalf of Nanjinad Ryots, additional relief amounting to about Rs 22,400 was sanctioned during the current year in respect of about 12,283 acres of dry land conversions and about 3,335 acres of Ayacut wet lands left fallow in the Kodayar commanded area for the Kanni crop of 1111 M. E. owing to the non-supply of water from the Kodayar Reservoir. Under Taxes on Income, the increase is due mainly to the imposition of supertax during the year which is expected to bring in a revenue of Rs ·70 of a lakh. Excise revenue is expected to be better than the budget by Rs 1·94 lakhs of which Rs ·95 of a lakh is under Tobacco, due to the steps taken by Government to prevent the existing organised smuggling of tobacco through the Northern Frontiers. Abkari and Opium revenue is expected to bring in an increase of Rs ·99 of a lakh on account of better collections. When the budget estimates for the current year were framed, it was considered that with the passing of the Agriculturists' Relief Regulation III of 1112, and the constitution of the Debt Conciliation Boards, the revenue from Stamps and Registration will be seriously affected on account of fall in the number of litigations and registration of documents and consequently there would be a substantial decrease in the revenue under these heads. But, as the Debt Conciliation Boards have only recently been constituted, the revenue under these major heads is expected to be better than the original anticipation by Rs 2·46 lakhs and Rs ·57 of a lakh respectively. The increase under Registration is also due to the registration during the year of a number of new joint stock companies with large capital. The increase of Rs ·79 of a lakh under Scientific and Miscellaneous Departments is under Mining, the expected receipts during the year being Rs 1·39 lakhs against Rs ·60 of a lakh anticipated in the budget. Decreases are expected under some of the major heads of revenue of which the important ones are Customs (2·17), Interest (·86),

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Industries (·98) and The Willingdon Water Works, Trivandrum (·45). Under Customs, the expected fall is mainly under exports, due to lesser export of pepper for want of favourable foreign markets. In the Alleppey Sea Customs alone, the export duty on pepper has declined by Rs 1·30 lakhs up to the end of Medom this year. It is also due to the decline under import duty on broken rice which alone accounted for a revenue of Rs ·71 of a lakh to the end of Medom last year, while there was no import during the corresponding period this year. The reduction of the rate of interest on the capital outlay on the Pallivasal Hydro-Electric Scheme during the period of construction from five per cent. to four per cent. per annum from the beginning of the current year, with a view to avoid over-loading the capital account, accounts for the fall under Interest receipts. Under Industries, the decrease is due to the fact that during the year, the Rubber Factory which was expected to bring in a receipt of Rs 1·30 lakhs was leased out to a joint stock company for a period of 10 years. The contribution by the Trivandrum Municipality towards the working expenses of the Willingdon Water Works including the 2nd stage was estimated at Rs 1·15 lakhs in the budget for the year. It has now been decided that the contribution be fixed at Rs 75,000 for each of the years 1111 and 1112 and Rs 82,500 for 1113. Since the Municipality remitted Rs 1 lakh in 1111 against Rs 75,000 only due, the excess has been deducted from the current year's receipts. This accounts for the fall under the major head "The Willingdon Water Works."

5. On the expenditure side, a net decrease of Rs 2·37 lakhs or nearly one per cent. of the estimated expenditure is anticipated. The chief items which contribute to this saving are Forests (·51), Palace (1·44), Education (·84), Industries (1·14) and Army (1·74). The decrease of expenditure under Forests is under Conservancy and Works, due to expected savings in working expenses. Under Palace, the decrease is due to the re-classification of the items of expenditure included under this group with effect from the beginning of the current year according to which the Palace Civil List alone is shown under this group and the remaining items have been transferred to other major heads closely related to the nature of the expenditure provided for. This accounts for the increased expenditure under the major heads, Political Pensions and Miscellaneous Political expenditure. Expenditure on education is expected to be less

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than the budget by Rs ·84 of a lakh, the saving being mainly under salaries. It is also due to the retrenchment of expenditure effected in the department of which the important items were the abolition of the Thiruvella English Middle School for Girls, the abolition of Manual Training in the Training College and Schools, the reduction of His Highness the Maharaja's College for Women to the II grade, etc. As already explained in para 4 above, the decrease under Industries is due to the transfer of the Rubber Factory from Government management to a limited company on lease for a period of 10 years. The estimated saving under Army is due to the fact that the strength of the Forces has not been brought up to the full sanctioned number. Increased expenditure is also expected under Buildings, Communications and Miscellaneous Public Improvements (2·26), due to the additional grants sanctioned in the course of the year for urgent works.

6. On the Capital section Sale proceeds of Government lands are expected to bring in Rs 1·40 lakhs as against Rs 1·50 lakhs anticipated in the budget, while the capital outlay on Non-productive Schemes is now estimated to amount to Rs 18·90 lakhs against the budgeted expenditure of Rs 43·24 lakhs.

7. Under the tentative arrangements entered into by Government with the State Aided Bank of Travancore Ltd., Alleppey, *vide* Press Communiques dated 9th and 20th September 1936 issued by Government, Government agreed to waive Bh. Rs 2½ lakhs out of the cash credit advance of Bh. Rs 5 lakhs on certain conditions. The Bank have now fulfilled those conditions and provision has therefore been made for the write-off of the sum of Bh. Rs 2½ lakhs as Capital loss on investments in the accounts of the current year. In the result, a net outgoing of Rs 8·53 lakhs is expected against Rs 38·20 lakhs anticipated in the budget. The Government Account balance which was Rs 83·14 lakhs at the beginning of the year is now expected to be reduced to Rs 74·61 lakhs at the close of the current year.

BUDGET ESTIMATES FOR 1113.

8. I shall now pass on to the budget estimates of the coming year. I would invite your attention to the memorable and comprehensive address delivered by the Dewan at the Joint Session of the Assembly and Council just a month ago, explaining in detail the policy and programme of Government in regard to all important matters, administrative, financial, industrial, commercial, agricultural, etc. The budget estimates embody proposals to implement the plans out-lined in the address

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